

INTRODUCTION OF THE "NUCLEAR DECOMMISSIONING FUNDS CLARIFICATION ACT"

HON. JERRY WELLER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1999

Mr. WELLER. Mr. Speaker, I am pleased to join with my colleague, BEN CARDIN, to introduce "The Nuclear Decommissioning Funds Clarification Act." The need for this legislation results from the emergence of a competitive electricity market out of a regulated environment. Because of this structural change, the tax treatment of nuclear decommissioning funds is not clear under current law.

Understanding that decommissioning a nuclear power plant represents a uniquely large and significant financial undertaking for a utility, in 1984 Congress enacted "Code section 468A" which was designed to have public service commissions authorize that certain costs could be charged by an electric utility company to its customers to dedicate to a nuclear decommissioning fund (Fund).

In 1986, the Code was further amended to allow an electric utility company with a direct ownership interest in a nuclear power plant to elect to deduct contributions made to a nuclear decommissioning fund, subject to certain limitations. The Fund must be a segregated trust used exclusively for the payment of decommissioning (shutting down) costs of nuclear power plants. Decommissioning the nation's 110 nuclear power plants represents a large financial commitment—so large that nuclear plant owners accumulate the necessary funding over the plant's 40-year operating life.

As a result of Federal and state laws enacted since 1992, 21 states have approved plans to introduce competition, and all states are considering deregulation. Fifty-four nuclear power plants are located in 15 of the states that have undergone restructuring, more than half the nation's 103 operating plants. Under current law, deductible contributions made to a nuclear decommissioning fund (Fund) are based on limitations reflected in cost-of-service ratemaking. In a competitive market, companies will no longer operate in a regulated, cost-of-service environment and will not be able to deduct contributions to decommissioning funds. Therefore, it is appropriate to clarify the deductibility of nuclear decommissioning costs under market-based rates and to codify the definition of "nuclear decommissioning costs" that limit contributions to a Fund.

In addition, restructuring has brought regulatory and market forces to bear upon continued ownership of nuclear power plants. As more companies move away from the nuclear generation—either by choice or state mandate—companies such as Illinois Power in my home state are planning transfers and sales of nuclear power plants. These new business activities have triggered unforeseen tax consequences that, if not corrected, could force the early shutdown of nuclear units that cannot be sold. Hence, a number of nuclear power plants may be forced to shut down before their licenses expire, resulting in the loss of jobs and a reduction of energy supply.

EXTENSIONS OF REMARKS

Decommissioning nuclear power plants is an important health and safety issue. It is essential that monies are available to safely decommission the plant when it is retired. It is also necessary, in many cases because of restructuring laws passed by states, to clarify the tax treatment for nuclear power plants that transfer ownership. I urge my colleagues to join with me in supporting this important bill.

COMMUNITY REINVESTMENT ACT

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1999

Mr. LaFALCE. Mr. Speaker, the Community Reinvestment Act was created by the Congress in 1977 to combat discrimination by encouraging federally insured financial institutions to help meet the credit needs of the communities they serve. I am here today to report that the Community Reinvestment Act, or CRA, has been a tremendous success.

CRA's success results from the effective partnerships of municipal leaders, local development advocacy organizations, and community-minded financial institutions. Working together, the CRA has proven that local investment is not only good for business, but critical to improving the quality of life for low and moderate income residents in the communities financial institutions serve.

You will be hearing about other CRA success stories in the next few weeks. I want to applaud the financial services industry for their extraordinary record of meeting their CRA obligations—at present it is estimated that almost 98 percent of all financial institutions have achieved a satisfactory or better CRA compliance rating. In my own district, however, there are many instances of leadership. Today I focus on one of the CRA lending practices of KeyBank. KeyBank loans have led to the development of 138 units of low income senior housing, as well as permanent financing for a group home for the developmentally disabled. KeyBank participants in the Buffalo Neighborhood Housing Services Revolving Loan Fund, which enabled local Neighborhood Housing Service agencies to acquire and rehabilitate numerous vacant properties, and resell them to low and moderate income constituents in my district. CRA lending by KeyBank has also led to job growth. For example, KeyBank has worked with the Minority and Women owned loan program of Western New York to create pro-bono counseling and monitoring services to minority and women loan applicants during the pre-application and post-loan periods of a new business. In addition, CRA lending by KeyBank resulted in the construction and financing for a manufacturing facility which resulted in the retention of 50 jobs and the creation of an additional 50 jobs in Niagara County.

Mr. Speaker, I strongly support the Community Reinvestment Act and the success it has achieved in combating discrimination. I applaud our financial institutions for their strong compliance record and welcome their continued success.

June 9, 1999

IN HONOR OF VANCE C. SMITH, SR.

HON. MAC COLLINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1999

Mr. COLLINS. Mr. Speaker, I rise to honor a Georgia legend whose eighty year life encompassed all that it means to live the American dream. Vance C. Smith, Sr., born December 31, 1918, in Harris County, Georgia, to the late Shurley Sivell and Sallie Irvin Smith, will long be remembered for his devotion to family, community, and country.

On June 20, 1940, Mr. Smith married Reba Gray Simmons. In September 1943, he enlisted in the U.S. Navy and served with distinction until December 1945. During eighteen months on a Land Carrier Infantry boat in the Pacific, Mr. Smith was one of a handful to survive a Japanese suicide boat attack.

After World War II, Mr. Smith worked in the grocery business for four years, but then focused on his favorite business—the construction business. In 1951, Mr. Smith borrowed money to purchase a bulldozer, and the Vance Smith Construction Company was born. Over forty years later, the next generation of Smiths is still leading the family business.

Beyond the energy that went into maintaining a thriving business, Mr. Smith devoted much of his time to the community and helping others. He was a member and deacon of Pine Mountain First Baptist Church, a member of the Pine Mountain Chamber of Commerce, and a member of the Harris County Lion's Club. At one time he had not missed a Lion's Club meeting for a 25 year stretch. Mr. Smith was also a member of Chipley Lodge #40 F&AM, a past master, and a member of the Scottish Rite of Freemasonry.

Mr. Smith's community service also extended to political service. He served as a Harris County Commissioner from 1963 until 1966, at one time serving as chairman. In 1962, Mr. Smith was elected to the Pine Mountain Town Council, and served there for 33 years until his 1995 retirement.

Survived by his wife; daughter and son-in-law; son and daughter-in-law; five grandchildren; three sisters; and one brother, Vance Smith, Sr. fulfilled the life we all strive to live. Mr. Smith was successful in business, but his most meaningful contributions were those to his family and community. Mr. Smith's passing is a great loss to all, but his accomplishments and contributions will continue to be a blessing to those fortunate enough to have been touched by his life.

PERSONAL EXPLANATION

HON. XAVIER BECERRA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 8, 1999

Mr. BECERRA. Mr. Speaker, due to a commitment in my district on Monday, June 7, 1999, I was unable to cast my floor vote on rollcall numbers 167–169. The votes I missed include rollcall vote 167 on approving the Journal; rollcall vote 168 to suspend the rules